

May 7, 2008



Sen. Daniel G. Clodfelter
Co-Chair, Joint Legislative Program Evaluation Oversight Committee
NC Senate, 300 N. Salisbury Street, Room 408
Raleigh, NC 27603-5925

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Dear Chairman Clodfelter:

This letter is to express the opposition of the Carolina Farm Stewardship Association (CFSA) to some of the recommendations made by the Program Evaluation Division (PED) in its assessment of our state's Agricultural Research Stations. CFSA and its member farmers believe that before any action by the Legislature to alter the structure and management of our state's research stations, let alone to close and sell any of those stations, the agriculture community should have meaningful input on how that system should be reformed. The work of the PED in seeking that input has been insufficient (see attached letter to Dr. Carol Ripple), and CFSA asks that the Legislature institute a broader, more inclusive process to develop a better overall assessment of the impacts that our research stations have on farming and the state budget.

With over 1,000 members, CFSA is a statewide network that promotes and supports sustainable agriculture in North Carolina. CFSA has worked for 29 years to defend family farms and the environment, and has helped family farms that had been dependent on tobacco take advantage of the growing markets for organic and other value-added specialty foods. The organic food market has been growing at double digit annual rates for a decade, reaching \$17 billion nationwide in 2006. North Carolina is well-positioned to capture more of these dollars thanks to our climate and proximity to major markets.

The work done at many of our research stations has advanced the fortunes of farmers diversifying into organic and other value-added production across the state; increasingly over the last several years, Cooperative Extension and academic researchers have promoted the growth of value-added agriculture through work conducted at many stations, including the Cherry Farm, Fletcher, Waynesville, Upper Piedmont, Upper Mountain and Castle Hayne locations. Unfortunately, the PED recommendations fall disproportionately on those farmers diversifying into value-added horticultural crops.

The PED's recommendation to close the Waynesville, Upper Piedmont, Upper Mountain and Castle Hayne stations would be detrimental to the family farms in many areas of the state that would otherwise benefit from the growing organic market, for several reasons:

1. **It would eliminate ongoing work under the highly successful North Carolina Specialty Crops Program.** The Waynesville, Upper Piedmont and Upper Mountain stations are all participants in the program. This coordinated, multi-station effort has provided crucial information on high-value horticultural crops, including heirlooms varieties, organics, and fruit production. Consumers are paying top dollar for these products, and flocking to farmers markets, grocers and direct market outlets to find them. Our ag research community should be increasing its investment in these high-value crops, not decreasing it.

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2. **It would undermine one of North Carolina's primary advantages, it's agricultural diversity.** North Carolina is one of the most agriculturally diverse states in the nation, and key reason for that diversity is our variety of climates. Weather patterns, soils, and water resources differ dramatically between Murphy and Manteo, and that creates huge opportunities for formerly tobacco-dependent communities to diversify into value-added crop production based on those conditions. The growing conditions in the High Country and the Upper Piedmont are not the same as those in the Coastal Plain or the Western Mountains. By eliminating the horticultural crops research efforts at the Upper Piedmont, Upper Mountain and Castle Hayne stations, the state would disproportionately harm farmers working in those unique environments, and damage our agriculture's overall competitiveness.
3. **It would eliminate significant and unique research on particular high-value crops.** Organic broccoli is one of the highest-demand vegetables. The Upper Piedmont station is home to the state's only organic broccoli variety trial program; eliminating that work would mean North Carolina consumers will continue to send North Carolina dollars to California and Florida growers, instead of North Carolina growers.

Likewise, blueberry production continues to be a reliable and growing income source for our state's family farms, with 2006 cash receipts reaching \$49 million. The Castle Hayne station is home to the world's leading public blueberry breeding program. Public breeding programs are critical to the financial well-being of family farms because rapid consolidation in the seed production and plant breeding industry is resulting in higher costs and reduced availability. The Castle Hayne blueberry breeding program gives North Carolina farmers insulation against that threat.

Other high-value crops that would be negatively impacted by the PED's closure recommendations include Christmas trees, strawberries, and wine grapes, which together represent a \$201 million market that benefits thousands of North Carolina farmers.

4. **It would undermine efforts to preserve and protect farmland.** The Legislature has acknowledged farmland preservation as an important policy goal. Obviously the sale of farmland by the state directly compromises that policy. Moreover, for the reasons outlined above, the sale of these research stations would contribute indirectly to greater loss of farmland by reducing research into specialty and value-added crop production. If farmers lose access to this research, they will lose access to strong markets that otherwise could help make their farms profitable, thus increasing the pressure to sell their lands.

There is no question that the Legislature has a responsibility to manage state funds judiciously, and it is appropriate to examine the structure and management of our state's agricultural research stations to identify areas for cost savings. But those savings cannot be at the expense of our largest industry, in particular the small value-added horticultural crop producers who represent one of the best hopes for the growth of that industry and the betterment of economically distressed rural areas. A broad-based and meaningful process for engaging the agricultural community, along with the academics and accountants, in the review of the research station system is vital to protecting our economy, our farmland and our farmers.

Thank you for giving your attention to this matter. I welcome an opportunity to provide further information to you and your staff, and look forward to a full, thorough examination of the research stations issue that includes the entire agriculture community.

Sincerely,



Roland McReynolds, Esq.
Executive Director

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